
BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT**FINANCIAL STATEMENTS****DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/13/11**Postlethwaite
& Netterville**

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BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Louisiana
River Pilot Review and Oversight

We have audited the accompanying statement of net assets and governmental fund balance sheet of the Board of Louisiana River Pilot Review and Oversight (the Board) as of December 31, 2009, and the related statement of activities and governmental fund revenues, expenditures, and changes in fund balance for the year then ended, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2009, and the changes in its revenues, expenditures, and changes in fund balance for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2011, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3 and 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Postlethwaite + Netterville

Metairie, Louisiana
June 28, 2011

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

This report offers readers of these financial statements an overview and analysis of the financial activities of the Board of Louisiana River Pilot Review and Oversight (the Board). This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the Board's financial position, and identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

The Board's total fund balance decreased by \$69,958 during the year ended December 31, 2009. The decrease in the fund balance was primarily related to the legal expenses related to the Board's rules promulgation.

As of the close of the current fiscal year, the Board's funds reported an ending fund balance of \$101,161. This balance is available for new spending. The fund balance of \$101,161 was undesignated at December 31, 2009.

Fund and Government-Wide Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board operates one fund, the general fund. The Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government. The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances and include all assets and liabilities using the accrual basis of accounting. Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements, except that fund statements focus on near term inflows and outflows of spendable resources.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found on pages 6 through 8.

Economic Factors and Next Year's Budget and Rates

There are several uncertainties with the Board as well as the State of Louisiana (the State) related to state appropriations during the next several years. The Board will continue to seek appropriations and other funding from the State and other sources. The Board foresees sufficient revenues to allow for addressing its primary objectives and continuing development of new programs as needed.

Contacting the Board's Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the administration at 201 St. Charles Avenue, 31st Floor, New Orleans, LA 70170.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2009

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash	\$ 110,690	\$ -	\$ 110,690
<u>TOTAL ASSETS</u>	<u>\$ 110,690</u>	<u>\$ -</u>	<u>\$ 110,690</u>
<u>LIABILITIES</u>			
Accounts payable and liabilities	\$ 9,529	\$ -	\$ 9,529
<u>TOTAL LIABILITIES</u>	<u>9,529</u>	<u>-</u>	<u>9,529</u>
<u>FUND BALANCE/NET ASSETS</u>			
Unrestricted	101,161	(101,161)	-
<u>TOTAL FUND BALANCE</u>	<u>101,161</u>	<u>(101,161)</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 110,690</u>	<u>\$ (101,161)</u>	<u>\$ 9,529</u>
<u>NET ASSETS</u>			
Unrestricted		<u>\$ 101,161</u>	<u>\$ 101,161</u>

See accompanying notes to the basic financial statements.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>EXPENDITURES/EXPENSES</u>			
Professional fees	\$ 69,921	\$ -	\$ 69,921
Other	37	-	37
Total expenditures/expenses	<u>69,958</u>	<u>-</u>	<u>69,958</u>
<u>GENERAL REVENUES</u>			
Total general revenues	<u>-</u>	<u>-</u>	<u>-</u>
Excess of expenditures over revenues	<u>(69,958)</u>	<u>69,958</u>	<u>(69,958)</u>
Change in net assets	<u>-</u>	<u>(69,958)</u>	<u>(69,958)</u>
<u>FUND BALANCE/NET ASSETS</u>			
Beginning of the year	<u>171,119</u>	<u>-</u>	<u>171,119</u>
Ending of the year	<u>\$ 101,161</u>	<u>\$ -</u>	<u>\$ 101,161</u>

See accompanying notes to the basic financial statements.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. Summary of Significant Accounting Policies

Background

The Revised Statute 34:991 of the State of Louisiana Legislature created the Board of River Port Pilot Commissioners for the Port of New Orleans. The Board's purpose is to oversee the river pilot organizations that operate along the Mississippi River and Calcasieu River. The Board is authorized to formulate rules and regulations establishing qualifications of river port pilots and providing for the examination and approval of apprenticeship programs for the river port pilots, and to administer the evaluation and examination of river port pilots.

According to the Statute, the Board shall consist of three citizens appointed by the governor, with the consent of the Senate, who presently hold a commission as a river port pilot and such commission has been active for a period of not less than four years. The governor appoints the president of the Board, and determines the period the commissioners shall serve. The Board is to meet at least quarterly. Currently the Board is composed of 11 members.

In cases where there is lewd conduct from river port pilots such as neglect of duty, drunkenness, carelessness, habitual intemperance, substance abuse, and incompetency, the Board would conduct hearings when the said pilots choose to appeal the case.

The Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Codification established standards for defining and reporting on the financial entity. GASB Codification indicates the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body, b) is legally separate, and is fiscally independent of other state and local governments.

As previously discussed, state statute established the Board as a separate, legal entity with a governing body which is separate and independent of any other governmental "reporting entity", as defined by GASB Codification. However, the Board is dependent primarily on State appropriations to conduct its business.

The accounting policies of the Board conform to accounting principles generally accepted in the United States of America as applicable to governments and special districts. The following is a summary of the more significant accounting policies:

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Board's basic financial statements include both government-wide (reporting the Board as a whole) and fund financial statements (reporting the Board's fund). Both the government-wide and fund financial statements categorize primary activities as governmental type. The government-wide Statement of Net Assets and Statement of Activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term liabilities.

This government-wide focus is more on the sustainability of the Board as an entity and the change in the Board's net assets resulting from the current year's activities.

The Board's fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Miscellaneous contributions for projects are recognized as revenues in the period received by the Board. When the contribution is provided as a direct funding of a project, such amounts are recognized as revenue when the related costs are incurred.

The Board reports the general fund as a major fund as it is the Board's primary operating fund.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance

In the fund level financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets represent the difference between assets and liabilities, and consist of cash, reduced by accounts payable and liabilities.

2. Deposits

Cash includes amounts in demand deposit accounts.

At December 31, 2009, the carrying amount and the bank balance of the Board's deposits was \$110,690. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it under state law. At December 31, 2009, all deposits are secured by federal depository insurance.

3. Revenue Concentration

The Board's current principal source of revenues consists mainly of state appropriations.

4. Board Member Compensation

As described in Note 1, Board members are appointed. There are three retired judges on the 11-member Board. Each of the three judges may receive a maximum compensation of \$150 per Board meeting and/or for any day that they conduct business-related activity. Board members can submit an expense request form for out-of-pocket expenses including mileage reimbursements. No Board members submitted expense request forms for per diem and expenses during the year ended December 31, 2009.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original and Final	Actual	Variance from Budget
<u>REVENUES:</u>			
State appropriation	\$ -	\$ -	\$ -
<u>TOTAL REVENUES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENDITURES</u>			
Professional fees	\$ -	\$ 69,921	\$ (69,921)
Other	-	37	(37)
Reserve for contingency	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>\$ -</u>	<u>\$ 69,958</u>	<u>\$ (69,958)</u>
<u>DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	<u>\$ -</u>	<u>\$ (69,958)</u>	<u>\$ (69,958)</u>

See accompanying independent auditors' report.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Louisiana River Pilot Review and Oversight
City of New Orleans, Louisiana:

We have audited the financial statements of the Board of Louisiana River Pilot Review and Oversight (the Board) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

The Board of Louisiana River Pilot Review and Oversight's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit The Board of Louisiana River Pilot Review and Oversight's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Louisiana River Pilot Review and Oversight, the Legislative Auditor of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Nettowill

Metairie, Louisiana
June 28, 2011

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT

Schedule of Findings and Questioned Costs

Year ended December 31, 2009

2009-1 Timely Submission of Audit Report to Legislative Auditor

Criteria:	Under Louisiana statute, the Board is required to comply with Louisiana Revised Statute 24:514, which states that any local auditee that receives less than fifty thousand dollars in revenues and other sources in any one fiscal year, shall file a certification with the Legislative Auditor. The auditee shall annually file sworn financial statements with the Legislative Auditor.
Condition:	The Board did not comply with the requirements of Louisiana Revised Statute 24:514.
Cause:	The Board was not aware of the requirement.
Effect:	The Board is not in compliance.
Recommendation:	The Board should maintain compliance with the Louisiana audit laws going forward.
Management's Response:	The Board has engaged an independent auditor to provide required services in compliance with Louisiana Revised Statute 24:514.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT

Schedule of Findings and Questioned Costs

Year ended December 31, 2009

2009-2 Budget Compliance

Criteria:	Under Louisiana statute, the Board is required to comply with Louisiana Revised Statute 39:1305, which states that each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.
Condition:	The Board did not comply with the requirements of Louisiana Revised Statute 39:1301-15.
Cause:	The Board was not aware of the requirement.
Effect:	The Board is not in compliance.
Recommendation:	The Board should maintain compliance with the Louisiana audit laws going forward.
Management's Response:	The Board has developed budgets for fiscal years 2010 and 2011 in compliance with Louisiana Revised Statute 39:1301-15.

BOARD OF LOUISIANA RIVER PILOT REVIEW AND OVERSIGHT

Summary Schedule of Prior Year Findings and Questioned Costs

Year ended December 31, 2009

2008-1 Timely Submission of Audit Report to Legislative Auditor

Criteria:	Under Louisiana statute, the Board is required to comply with Louisiana Revised Statute 24:514, which states that any local auditee that receives more than fifty thousand dollars in revenues and other sources in any one fiscal year, but less than two hundred thousand dollars, shall cause to be conducted an annual compilation of its financial statements, with or without footnotes, in accordance with the Louisiana Governmental Audit Guide.
Condition:	The Board did not comply with the requirements of Louisiana Revised Statute 24:514.
Cause:	The Board was not aware of the requirement.
Effect:	The Board is not in compliance.
Recommendation:	The Board should maintain compliance with the Louisiana audit laws going forward.
Management's Response:	The Board has engaged an independent auditor to provide required services in compliance with Louisiana Revised Statute 24:514.
Status:	The finding has not been resolved by the Board.